

Question and Answer Guide

NOVA Bank, Berwyn, PA

Due to Hurricane Sandy, for Monday October 29, 2012 and Tuesday October 30, 2012, customers will not be able to make arrangements to close their safe deposit box(es).

FDIC Call Center
Toll free number 1-800-830-3256
Hours of Operation – Eastern Time

Friday, October 26, 2012: Until 9:00 p.m.
Saturday, October 27, 2012: 9:00 a.m. – 6:00 p.m.
Sunday, October 28, 2012: Noon – 6:00 p.m.
Monday, October 29, 2012: 8:00 a.m. – 8:00 p.m.
Tuesday, October 30, 2012: 8:00 a.m. – 8:00 p.m.
Wednesday, October 31, 2012: 8:00 a.m. – 8:00 p.m.
Thursday, November 1, 2012: 8:00 a.m. – 8:00 p.m.
Friday, November 2, 2012: 8:00 a.m. – 5:00 p.m.
Thereafter: 9:00 a.m. – 5:00 p.m.

[Is My Account Fully Insured?](https://www2.fdic.gov/drip/afi/index.asp) (https://www2.fdic.gov/drip/afi/index.asp)
[Electronic Deposit Insurance Estimator](https://www.fdic.gov/edie/index.html) (https://www.fdic.gov/edie/index.html)

On Friday, October 26, 2012, the Pennsylvania Department of Banking and Securities closed NOVA Bank, Berwyn, PA. Subsequently, the Federal Deposit Insurance Corporation (FDIC) was appointed Receiver. All shares of stock were owned by the holding company, which was not involved in this transaction. According to regulatory policy, there is no advance notice given to the public.

An assuming bank could not be located; therefore, the FDIC will fulfill its obligation to depositors by mailing checks Sunday evening, October 28, 2012 from Dallas, TX, for their insured amounts. Due to the hurricane, the delivery of checks may be delayed.

If the balance in your interest-bearing account(s) is less than or equal to \$250,000, or if your deposit is in a noninterest-bearing transaction account(s), no action is required on your part at this time.

Please note: Be advised you will not receive any communications from the FDIC requesting any private information. Be watchful for and resistant to any scams to obtain information from you by individuals or entities stating they are acting on behalf of NOVA Bank or the FDIC. Should you be contacted by anyone requesting private information from you related to this event, please contact the FDIC Call Center at 1-800-830-3256.

The following answers are provided to the most commonly asked questions by customers of the failed bank.

Deposit Questions

1. [Over \\$250,000:](#) What if I had more than \$250,000 in my accounts at NOVA Bank?
2. [Account Hold:](#) I have been advised there is a hold on my account. What does that mean?
3. [Account Insurance Status: Is my account fully insured?:](#) Is there a method to verify whether my account(s) at NOVA Bank are fully insured?
4. [ATM/Debit Card/Checks:](#) Can I continue to write checks or use my ATM/Debit card?

5. [Automatic Payments/Online Bill Pay](#): Will my automatic Bill Pay payments continue?
6. [Brokered-Deposits/Deposit Broker](#): I have brokered deposits.
7. [Checks not honored](#): A merchant will not honor my check. What can I do?
8. [Claim Account\(s\)](#): How do I claim my account(s)?
9. [Customer Impact](#): How does this action affect me?
10. [Direct Deposits, Social Security](#): What will happen to my direct deposits?
11. [Early withdrawal penalty](#): Will I incur an early withdrawal penalty on my CD?
12. [Final Statement](#): How will I get my final statement(s) from NOVA Bank?
13. [Interest](#): Will I be paid interest at the same rate?
14. [Interest Checks/Cashier's Checks](#): Can I cash my interest check or cashier's check?
15. [Internet Connection](#): Will online banking work?
16. [IRAs](#): What if I have an Individual Retirement Account (IRA)? Is my IRA insured?
17. [Lose Any Money?](#): Will I lose anything on my deposit account?
18. [Outstanding Checks](#): What will happen to the checks which have not cleared my account?
19. [Records/Account Histories](#): What if I need information regarding my account during the time NOVA Bank was in business?
20. [Tax Reporting - 1098/1099s](#): Who will send my 1098 and/or 1099 information?
21. [Uninsured](#): Will I collect my uninsured deposits?
22. [Wire Transfer](#): Can funds be wired to me?

Loan Questions

23. [Automatic Payments](#): Will my Loan payment still occur on its assigned date?
24. [Construction Loan Draws](#): Will draws continue and will my project be completed?
25. [Construction Loan Voucher Control](#): Will my subcontractors be paid as before?
26. [Escrows](#): Will my escrows continue to be paid?
27. [Fees](#): Are there any changes to loan fees or charges due to this event?
28. [Foreclosures](#): Will the FDIC continue foreclosures in process?
29. [Lender and contact names](#): Who is my lender and has my loan contact changed?
30. [Loan Sales](#): Will my loan be sold?
31. [Line of Credit Advances – Home Equity](#): Can I continue to perform advances on my line of credit?
32. [Loan in Process](#): I have a loan currently in process. How is my loan impacted?
33. [Overdraft Line of Credit](#): Will my overdraft line of credit continue to cover my overdrafts?
34. [Payments](#): How/where do I make my payments?
35. [Pre-payment Penalty](#): If I refinance, will my pre-payment penalty be waived?
36. [What Happens Now](#): What will happen to my loan?

General Questions

37. [Safe Deposit Box](#): How do I obtain the contents of my safe deposit box?
38. [All-Deposit Transfer versus Insured Deposit Transfer](#): Why do all deposits, insured and uninsured, pass in some transactions but not in others?
39. [FDIC Insurance](#): How can I find out more information about FDIC Insurance rules?
40. [Media](#): I represent a TV/Newspaper/Radio and would like some information.
41. [Shareholders](#): I am a Shareholder of NOVA FINANCIAL HOLDINGS. What happens to my shares?
42. [Claims](#): I am owed money by NOVA Bank. What should I do?

DEPOSIT QUESTIONS

1. What if I have more than \$250,000 in my accounts at NOVA Bank?

There is no limit on deposit insurance coverage for noninterest-bearing accounts, e.g., checking accounts and official checks. These deposits are fully insured.

If the sum of all of your non-IRA interest-bearing deposits does not exceed \$250,000, including accrued and unpaid interest, you do not need to do anything at this time. IRA deposits, including accrued and unpaid interest, are insured separately from all other interest-bearing accounts up to \$250,000.

If you have more than \$250,000, including interest, in your interest-bearing account(s) or in an IRA, you should call 1-800-830-3256 to schedule a telephone appointment with an FDIC Claims Agent as your accounts may require review. You may need to complete certain declarations or affidavits and provide documentation so that the FDIC can make an insurance determination on your account(s).

If you have a question regarding the completion of required affidavits or declarations, this website contains samples and instructions for completing the declarations: [Forms](http://www.fdic.gov/regulations/laws/FORMS/claims.html) (<http://www.fdic.gov/regulations/laws/FORMS/claims.html>). If your question is not resolved by going to the website, please call 1-800-830-3256 and indicate you have a form completion question.

Starting on the first business day after the closing, you may check the following secure website to verify your insurance status by entering each of your account numbers: [Is My Account Fully Insured?](https://www2.fdic.gov/drrip/afi/index.asp) (<https://www2.fdic.gov/drrip/afi/index.asp>).

2. I have been advised there is a hold on my account. What does that mean?

An account hold may be placed on an account(s) if there is a need for additional documentation from a depositor. For example, a Declaration for Trust form may be required to attest to the parties involved in the trust.

It is possible a depositor's account was held due to delinquent loans where the depositor is the borrower or guarantor. Additionally, any account pledged as collateral for a loan will continue to be held. A letter will be sent informing you of any holds placed by the FDIC, along with instructions on how to proceed. If you have any questions regarding these holds, please call the FDIC at the number provided in the letter. Please contact the FDIC at 1-800-830-3256 to schedule a telephone appointment.

3. Is there a method to verify whether my account(s) at NOVA Bank are fully insured?

A tool is available that provides failed bank customers the ability to verify whether their account is fully insured or if they need to contact the FDIC. The link to specific contact information: [Is My Account Fully Insured?](https://www2.fdic.gov/drrip/afi/index.asp) (<https://www2.fdic.gov/drrip/afi/index.asp>). This service will be available for use no later than the first business day after the bank's failure. Once you enter your account number, your insurance status for that account will appear. If there is a hold on your account, it may be due to the need for the additional documentation referenced in question number two. **If there is a hold, you will need to contact the FDIC at 1-800-830-3256 to schedule a telephone appointment.**

4. Can I continue to write checks or use my ATM/Debit card?

No. All accounts are closed. The FDIC will mail checks for insured deposits Sunday, October 28, 2012.

5. Will my automatic payments continue through Bill Pay?

No. All accounts are closed; therefore, you should contact your creditors to make other arrangements.

6. I have brokered deposits. What do I need to do?

If you are a customer who has a NOVA Bank deposit through a broker, you **must** contact your broker with any questions.

7. A merchant will not honor my check. What can I do?

All checks that have not cleared your account by October 26, 2012, will be returned and stamped "Bank Closed". [This document is a letter](#) you can provide to your creditors explaining that the checks were returned through no fault of your own due to the bank closing, and this is no reflection on you. You should arrange to conduct your checking account activities with another financial institution.

8. How do I claim my account(s)?

The FDIC will mail checks for insured deposits no later than October 28, 2012, from Dallas, TX. These checks will be mailed to the address on record with NOVA Bank. Please be advised that this check is only valid for six (6) months. If you do not claim your insured deposits within 18 months, the money will be turned over to your state as unclaimed property. Unclaimed property can be located by visiting www.missingmoney.com or contacting your state treasurer's office or office of unclaimed property.

9. How does this failure affect me?

All accounts are closed. The FDIC will mail checks for insured deposits no later than October 28, 2012, from Dallas, TX.

If you had a loan with NOVA Bank, please make your payments to the same address as you have in the past until otherwise notified. Make your checks payable to FDIC as Receiver for NOVA Bank with a non-NOVA Bank check.

10. What will happen to my direct deposits?

The FDIC has arranged for any **Federal government direct deposits**, including Social Security, Supplemental Security Income, Civil Service Retirement, Railroad Retirement, Veterans Administration, and Income Tax Refunds to be **re-directed** to National Penn Bank, Boyertown, PA, through January 25, 2013. As a convenience to depositors, the FDIC has made arrangements with National Penn Bank to accept the failed bank's deposits at the following designated locations:

One Penn Center

One Penn Center Plaza
1617 JFK Blvd
Philadelphia, PA 19103
(215) 448-9620

Norristown

451 West Johnson Highway
East Norristown, PA 19401
(610) 279-6401

Wayne

367-A West Lancaster Ave
Wayne, PA 19087
(610) 225-6668

East Falls

3617 Midvale Avenue
Philadelphia, PA 19129
(215) 848-3101

Wynnewood

333 East Lancaster Avenue
Wynnewood, PA 19096
(610) 658-6224

Lionville

80 East Uwchlan Avenue
Exton, PA 19341
(610) 363-5594

Paoli

Paoli Plaza
1776 East Lancaster Avenue

Paoli, PA 19301
(610) 647-7266

You may contact one of the seven National Penn Bank branch locations to ask if your **Federal government** direct deposit is available. **Please note:** these direct deposits will be processed on the same day as they have been in the past. You will be required to show appropriate identification to obtain your funds. Information for redirecting your Federal government direct deposit is available at <http://www.godirect.gov> or by calling 1-877-874-6347. Your new institution will be able to assist you with this process.

Direct deposits from anyone **other than the Federal government** cannot be redirected. You must contact the sender and arrange for these deposits to be made to another financial institution.

11. Will I incur an early withdrawal penalty on my CD?

No. The FDIC has waived the early withdrawal penalty.

12. How will I get my final account statement(s) from NOVA Bank?

A final statement will be mailed within one week of the closing.

13. Will I be paid interest at the same rate?

Yes. Interest was accrued at your same rate and will be paid through October 26, 2012. Insurance checks for insured deposits, including interest, up to the insured amount will be mailed no later than October 28, 2012, from Dallas, TX.

14. Can I cash my interest check or cashier's check?

No, however any official check issued to you that is still outstanding after October 26, 2012, is fully insured. The official check will automatically be replaced by an insurance check from the FDIC and will be mailed to the address on the check. If the address is not on the check, call the FDIC Call Center at 1-800-830-3256 to set up a telephone appointment with a Claims Agent to have your check reissued.

15. Will online banking be available?

Online banking customers will receive an e-mail when read-only mode is available.

16. What if I have an Individual Retirement Account (IRA)? Is my IRA insured?

You will receive a separate check from the FDIC for the principal balance in your IRA account, plus interest accrued and unpaid through October 26, 2012, up to \$250,000. You have 60 days to reinvest this deposit/distribution into another retirement vehicle to qualify as a rollover for income tax purposes. **You should consult IRS Publication 590 and/or your tax advisor concerning the possible tax consequences of such distribution. IRS Publication 590 addresses this type of bank failure and may be obtained by contacting your local IRS office or via the Internet at <http://www.irs.gov/publications/p590/index.html>.**

17. Will I lose anything on my deposit account?

Principal and interest on insured accounts, through October 26, 2012, are protected by the FDIC, to at least \$250,000. Certain entitlements and different types of accounts may be insured in excess of the \$250,000.

If you have more than \$250,000 in an interest-bearing account or if the total of your related interest-bearing accounts exceeds \$250,000, your accounts may require review by an FDIC Claims Agent. All accounts that appear to be related are reviewed to determine ownership and insurance coverage. IRA deposits are insured separately. See answer to Question 16. See answer to Question 1 for information regarding forms you may need to complete to expedite this process.

18. What will happen to the checks which have not cleared my account?

Checks that were drawn on NOVA Bank that did not clear before the institution closed will be returned indicating "Bank Closed". [This document is a letter](#) you may provide to your creditors explaining the bank was closed, and checks have been returned through no fault of your own. You should contact your vendors or merchants as soon as possible.

19. What if I need information regarding my account during the time NOVA Bank was in business?

Please contact the FDIC Customer Service at 1-888-206-4662 to request a copy of your records.

20. Who will send my 1098 and/or 1099 information after the end of the year?

The FDIC will be responsible for mailing your 1099 tax information. Your 1098 reporting will be done by the FDIC or the servicer of your loan. You will be notified of any changes in ownership or servicing of your loan.

21. Will I collect my uninsured deposits?

In the event you have uninsured deposits, it may be possible to offset your uninsured amount against a loan in the same name as your uninsured deposit account. You should make a telephone appointment with an FDIC Claims Agent at 1-800-830-3256 to discuss your situation. If it is determined that you have some uninsured funds, the FDIC will mail you a Notice of Insurance Determination (NID) letter. The NID provides a Receiver's Certificate Number which entitles you to share proportionately in any funds recovered through the sale of the assets of NOVA Bank. You may eventually recover some of your uninsured funds as assets are liquidated.

When a financial institution is closed, and the FDIC is appointed Receiver, one of the Receiver's responsibilities is to sell the institution's assets to pay the depositors and creditors. The money generated by the sale of these assets will flow through the Receivership, and periodic dividend payments will be made to proven claimants when excess cash is available. For an explanation of the dividend process and to periodically review the status of the receivership dividends, go to [FDIC Dividends from Failed Banks](http://www2.fdic.gov/divweb/index.asp) (<http://www2.fdic.gov/divweb/index.asp>).

Of course, you will receive **immediate** full payment for your **insured deposits** by check from the FDIC.

22. Can funds be wired to me?

No. Insurance proceeds cannot be wired to depositors.

LOAN QUESTIONS

23. Will my automatic payment on my loan or mortgage at NOVA Bank still occur on its assigned date?

No. All accounts have been closed. Until further notice, you should make your payments to the same address as you have in the past until otherwise notified. Make your check payable to FDIC as Receiver for NOVA Bank, with a non-NOVA Bank check.

24. Will construction draws continue? Will my project be completed?

Each loan is being reviewed independently. Please contact the FDIC at 1-800-830-3256 to schedule a telephone interview with a Loan Consultant with the FDIC.

25. Will my subcontractors be paid as before?

Each loan is being reviewed, and a plan of action will be determined on a case-by-case basis. Please contact the FDIC at 1-800-830-3256 to schedule a telephone interview with a Loan Consultant with the FDIC.

26. Will my escrows continue to be paid?

All services previously performed related to your loan will continue. Should you receive notification that any portion of your taxes or insurance were **not** paid, please contact the FDIC at 1-800-830-3256 to schedule a telephone interview with a Loan Consultant with the FDIC.

27. Are there any changes to loan fees or charges due to this event?

No. The current fee structure will remain the same.

28. Will the FDIC continue foreclosures in process?

At this point, the FDIC will suspend foreclosure actions in order to evaluate the loans and the borrower's ability to repay. It is the FDIC's intention to sell all loans, and it will be up to the new owner to determine the best method to collect the loan. There may be instances where the FDIC will continue with the foreclosure process, but this will be done on a case-by-case basis.

29. Who is my lender and has my loan contact changed?

Your loan is now owned by the FDIC and is currently being serviced as in the past.

30. Will my loan be sold?

Your loan may be sold at a future undetermined date. If that occurs, you will be notified in advance through written correspondence. You have the right to refinance your loan with another lender.

31. Can I continue to perform advances on my line of credit?

No. All lines of credit, including Home Equity Lines of Credit (HELOCs), have been suspended. You should contact another financial institution to discuss establishing a borrowing relationship.

32. I have a loan currently in process. How is my loan impacted?

If you have **not** yet received notification of loan underwriting approval, you are encouraged to seek alternative financing with another mortgage lender. Applications that have not already received underwriting approval will not be processed. You may request to have your mortgage application documentation returned. You should speak with a Loan Consultant from the FDIC to discuss returning your application. If you have previously received notification (verbal or written) of loan underwriting approval, you are encouraged to speak with a Loan Consultant about the status of your application. Each mortgage application that has received underwriting approval will be reviewed independently. Please contact the FDIC at 1-800-830-3256 to schedule a telephone interview with a Loan Consultant with the FDIC.

33. Will my overdraft line of credit continue to cover my overdrafts?

No. All accounts are closed.

34. How and where do I make my payments?

You should continue to make your payments as agreed to the same address as you have in the past until otherwise notified.

35. If I refinance with another lender, will my pre-payment penalty be waived?

Any pre-payment penalty will be waived as long as FDIC as Receiver for NOVA Bank has control of your loan, and you obtain refinancing of the outstanding balance on the account with another financial institution.

36. What will happen to my loan?

Each loan is currently being reviewed to determine the best action for that individual loan. You have the right to refinance your loan with another lender.

GENERAL QUESTIONS

37. When can I obtain the contents of my safe deposit box?

You should arrange to remove the contents of your safe deposit box as soon as possible. If you do not clear the safe deposit box promptly, the contents will be handled according to your Lease Agreement with NOVA Bank or in accordance with applicable law. You will receive a letter to the address of record regarding the removal of your box's contents and deadline information.

38. Why do all deposits, insured or not, pass to another institution in some bank failures but not in others?

When a buyer cannot be found for a failed bank, the FDIC honors its obligation to insured depositors by mailing them an insurance check.

39. How can I find out more about Federal Deposit Insurance rules?

You may access our website, which contains deposit insurance information and an [Electronic Deposit Insurance Estimator](#) (EDIE): www.fdic.gov. At the website,

1. Click on Deposit Insurance
2. Click on "Are my deposits insured?"
3. Click on EDIE (to calculate your insurance coverage)

You may also order any FDIC publication by mail by sending your request to the following:

FDIC
3501 North Fairfax Drive
Room E-1002
Arlington, VA 22226

Or, via email: publicinfo@fdic.gov

40. I represent a TV/Newspaper/Radio and would like some information.

Please contact the Office of Communications:

LaJuan Williams-Young
1-202-898-3876 - Office
LWilliams-Young@fdic.gov

41. I am a shareholder. What happens to my shares?

NOVA Bank had no publicly owned stock. Equity shareholders were invested in the holding company, NOVA Financial Holdings, and not in the bank. Please do not file a claim with the Receiver; instead, contact the holding company with any questions.

NOVA Financial Holdings
1235 West Lakes Drive
Berwyn, PA 19312

42. I am owed money by NOVA Bank for goods or services. What should I do?

Please send your bills to:

FDIC as Receiver for NOVA Bank
1601 Bryan Street
Dallas, TX 75201
Attention: [Claims Agent](#)

For more information: [Failed Bank Information for NOVA Bank](http://www.fdic.gov/bank/individual/failed/novabank.html) (www.fdic.gov/bank/individual/failed/novabank.html)